

OFFICE OF THE LYONDELL ENVIRONMENTAL CUSTODIAL TRUST

Le Petomane XXIII, Inc., Not Individually, But Solely as Lyondell Environmental Custodial Trust Trustee

KALAMAZOO SITE, MICHIGAN ACCOUNT BALANCE SUMMARY

ACCOUNT	BALANCE 1/1/11	EXPENDITURES 1/1/11 - 12/31/11 ¹	BALANCE ²
KALAMAZOO SITE RESPONSE COST ESCROW	\$ 50,082,677.38	\$ 765,794.42	\$ 49,316,882.96
MDNRE COST ESCROW ³	\$ 1,839,613.59	\$ (162,070.49)	\$ 2,001,684.08
RESTORATION COST ESCROW	\$ 1,672,810.21	\$ (440.55)	\$ 1,673,250.76
KALAMAZOO SITE TAX ESCROW	\$ 389,974.18	\$ 8,606.38	\$ 381,367.80

¹ This figure includes 2011 payments for Q4 2010 services.

² Balance reported net of pending 2011 related disbursements and Fee Applications.

³ \$161,559.75 was credited to this account in January of 2011 to offset a disbursal for the same amount issued incorrectly from the account.

BUDGETARY UTILIZATION SUMMARY

CATEGORY	2011 COMBINED TASK BUDGET	TOTAL BILLINGS 1/1/11 - 12/31/11	
TRUSTEE SERVICES	\$ 82,100.00	\$ 10,480.00	12.8%
LEGAL SERVICES	\$ 27,500.00	\$ 18,608.90	67.7%
ENVIRONMENTAL CONSULTANT	\$ 543,240.00	\$ 382,839.24	70.5%
EPA / FS COMPLETION	\$ 125,000.00	\$ 125,000.00	100.0%
	\$ 777,840.00	\$ 536,928.14	69.0%

LYONDELL ENVIRONMENTAL CUSTODIAL TRUST
2011 YEAR-END EVALUATION
KALAMAZOO SITE, MICHIGAN

	2011 ACTIVITY	BUDGETARY ANALYSIS
TRUSTEE SERVICES	<ul style="list-style-type: none"> General Trust operations including site budgeting, correspondence, payment processing, and communication with USEPA 	13% or \$10,480 of \$82,100
	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> 	
LEGAL SERVICES	<ul style="list-style-type: none"> Attention to various access requests 	68% or \$18,609 of \$27,500
	<ul style="list-style-type: none"> Review and comment on NRD Trustee's Draft Restoration Plan and Environmental Assessment 	
	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> 	
ENVIRONMENTAL CONSULTANT ADMINISTRATIVE / SECURITY RELATED SERVICES	<ul style="list-style-type: none"> Activities as directed by the Trust. 	3% or \$1,516 of \$45,000
	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> 	
ENVIRONMENTAL CONSULTANT REMEDIATION RELATED SERVICES	<ul style="list-style-type: none"> Continued operations of the groundwater treatment plant 	77% or \$381,323 of \$498,240
	<ul style="list-style-type: none"> Submitted monthly and semi-annual status reports to the City of Kalamazoo 	
	<ul style="list-style-type: none"> Conducted site monitoring and maintenance activities on a schedule as outlined in Appendix A of the Allied Paper, Inc. Operable Unit, Interim Operation, Monitoring, and Maintenance Plan, prepared by BBL, dated February 2006 	
	<ul style="list-style-type: none"> With USEPA approval, arranged for off-site disposal of sludge material and investigative-derived wastes. 	
	<ul style="list-style-type: none"> 	

LYONDELL ENVIRONMENTAL CUSTODIAL TRUST
THREE-YEAR PROJECT SCOPING
KALAMAZOO SITE, MICHIGAN

	THREE-YEAR SCOPE	ESTIMATED TIMELINE
TRUSTEE SERVICES	<ul style="list-style-type: none"> General Trust operations including site budgeting, correspondence, payment processing, and communication with USEPA 	ONGOING
	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> 	
LEGAL SERVICES	<ul style="list-style-type: none"> Review draft RI/FS as appropriate 	ONGOING
	<ul style="list-style-type: none"> Negotiate access agreements 	
	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> 	
ENVIRONMENTAL CONSULTANT ADMINISTRATIVE / SECURITY RELATED SERVICES	<ul style="list-style-type: none"> Activities as directed by the Trust 	ONGOING
	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> 	
ENVIRONMENTAL CONSULTANT REMEDIATION RELATED SERVICES	<ul style="list-style-type: none"> Continue operations of the GWTP 	ONGOING
	<ul style="list-style-type: none"> Conduct a dam safety inspection of the Bryant Mill Dam 	2012
	<ul style="list-style-type: none"> Review and provide comments on the draft Feasibility Study and Remedial Action Plan as appropriate 	2012 / 2013
	<ul style="list-style-type: none"> Potentially implement remedial actions if USPEA / MDEQ approve a new remedy 	2014 +
	<ul style="list-style-type: none"> 	